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FM AMEMBASSY SARAJEVO
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INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE
RHEHNSC/NSC WASHDC
RHEFDIA/DIA WASHINGTON DC
RUEAIIA/CIA WASHINGTON DC
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C O N F I D E N T I A L SECTION 01 OF 02 SARAJEVO 000163

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DEPARTMENT FOR EUR (DICARLO), EUR/SCE (HOH, FOOKS); NSC FOR BRAUN

E.O. 12958: DECL: 01/01/2013 TAGS: <u>PREL PGOV PINR BK</u>

SUBJECT: BOSNIA - HIGHREP CONTEMPLATES ACTION AGAINST

REPUBLIKA SRPSKA

REF: SARAJEVO 41

Classified By: Ambassador Douglas McElhaney. Reason 1.4(b) and (d)

11. (C) SUMMARY: At a January 22 meeting with the Ambassador, High Representative Christian Schwarz-Schilling said he could no longer allow Dodik's irresponsible rhetoric to go unpunished. With this in mind, he planned to summon Dodik to Sarajevo and implement one "targeted measure" against Republika Srpska (RS). He also pressed the USG to endorse his proposal to create a Constitutional Reform Commission (reftel), expressing concern that without a clear commitment to a second phase of reform soon, any constitutional change could be delayed for a year or more. Schwarz-Schilling indicated that he would seek a clear commitment for his proposals during his upcoming visit to Washington. END SUMMARY

High Rep Plans "Last Warning" to Dodik

- 12. (C) Schwarz-Schilling said the international community must respond to Dodik's provocative January 18 interview in GLOBUS, an influential Zagreb-based weekly, which was the latest in a long line of provocative rhetoric from Dodik. (Note: The PIC Steering Board Ambassadors (SBA) discussed the GLOBUS interview on January 19 meeting, but agreed to delay responding until after the Serbian elections. End Note) In recent weeks, Dodik has attacked the HighRep and challenged OHR's authority, linked Kosovo's fate with RS independence, suggested creation of a Croat entity, and insulted Bosnian Muslims, Schwarz-Schilling explained. As a result, he would summon Dodik to Sarajevo on January 27 to deliver a warning about future behavior and impose one "targeted measure" on the RS. The HighRep asked the Ambassador to participate in the meeting, and said he would also invite the German Ambassador.
- 13. (C) Schwarz-Schilling said his aim was to signal clearly that the international community's patience with Dodik was exhausted and that Dodik could expect more forceful reactions from OHR in the future, perhaps including removals, if he failed to modify his behavior. Among the measures under consideration are:
- -- Suspending implementation of annexes to the RS-Serbia Agreement on Special Relations. (Note: According to OHR, Kostunica and Dodik have signed such annexes despite an earlier commitment by the RS government not to do so without OHR approval. End Note)

- -- Suspending the Raca bridge agreement between the RS and Serbia, which OHR believes has not been approved by State-level officials.
- -- Levying fines against Dodik's Alliance of Independent
- Social Democrats (SSND) party.
 -- Acting against the public security company law of the RS. (Comment: We are unclear what this proposal means. End Comment)

Constitutional Reform

- 14. (C) Schwarz-Schilling expressed concern about U.S. reluctance to embrace early implementation of the proposals outlined by OHR for phase II of constitutional reform. He had loyally supported the U.S.-brokered package of constitutional amendments, but he implied the prospects for its passage looked increasingly bleak. In order to maintain the momentum on constitutional reform, it was time to establish a Bosnian-directed, U.S. and EU-supported Constitutional Reform Commission in the Bosnian parliament. He argued an agreement on phase II structures would reassure the Croats and Bosniak Tri-Presidency member Haris Silajdzic that reform would not end with passage of the U.S.-brokered package. Schwarz-Schilling emphasized how strongly he felt about pressing ahead and indicated that he planned to press his point during his meetings in Washington the week of January 29.
- 15. (C) In response, we told Schwarz-Schilling that we questioned the ability of the Bosnian parliament to "take ownership" of such a process and to steer it towards a decision. For our part, we were still talking with Silajdzic

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(who obviously coordinates with the High Representative on this issue) to determine whether he is willing to engage on the package agreed by the other six major Bosnian parties in **1**2006.

MCELHANEY